

Message Text

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65

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 AID-05

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R 120903Z MAR 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2999

LIMITED OFFICIAL USE MANILA 3591

E.O. 11652: NA

TAGS: EWWT, RP

SUBJECT: US SHIPPING REPS ON PD 894

REF: (A) MANILA 3357 (B) 75 MANILA 14276 (C) 75 STATE 247329

1. U.S. REPRESENTATIVES OF UNITED STATES LINES, SEA LAND, AMERICAN PRESIDENT LINES, LYKES ORIENT, AND STATES LINES CALLED ON EMBASSY MARCH 12 TO DISCUSS PRESIDENTIAL DECREE NO 894 REQUIRING THE USE OF PHILIPPINE FLAG AIR CARRIERS AND SHIPPING LINES. REPS EXPRESSED CONCERN THAT SECTION 2 OF PD 894 WAS SO BROAD AS TO ENCOMPASS ALMOST EVERY PERSON OR CORPORATION DOING BUSINESS IN THE PHILIPPINES. IT WOULD BE A FEW MONTHS, HOWEVER, THEY AGREED, BEFORE EFFECT OF PD894 COULD BE FEEZ AT L/C'S ARE OPENED FROM 60 TO 90 DAYS BEFORE SHIPPING.

2. ONE REP POINTED OUT CONSISTENCY OF GOP POLICY IN BUILDING UP PHILIPPINE MERCHANT MARINE. PD 894 INTERESTINGLY REQUIRES THE USE OF A "PHILIPPINE FLAG CARRIER OR SHIPPING LINES." THIS TERMINOLOGY GIVES MEANING TO THE PROVISION IN PD 806 REQUIRING PREFERENCE TO BE GIVEN TO "VESSELS WHICH ARE DULY REGISTERED IN LIMITED OFFICIAL USE

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THE PHILIPPINES AND WHICH ARE OWNED OR CONTROLLED, OR

CHARTERED BY PHILIPPINE NATIONALS." IT WILL BE RECALLED
THAT POY806 WAS THE MEANS THE GOP USED TO MEET OUR
OBJECTIONS AS WELL AS THOSE OF OTHER COUNTRIES TO PD 667.
SEE REFTELS.

3. SAME REP STATED WHAT THIS READING OF THE TWO PD'S
WAS CONFIRMED RECENTLY BY A HIGH OFFICIAL OF THE MARITIME
INDUSTRY AUTHORITY WHO STATED THAT THE NEW PHILIPPINE
NATIONAL LINES WOULD BE CHARTERING SHIPS
TO START ITS OPERATIONS. THE POTENTIAL THREAT TO NON-
PHILIPPINE CARRIERS THUS APPEARS MUCH MORE SERIOUS THAN
WOULD HAVE BEEN THE CASE WITH SIMPLY "PHILIPPINE FLAG
VESSELS."

4. WE TOLD THE U.S. SHIPPING REPS THAT WE HAVE BEEN
REPORTING DEVELOPMENTS TO THE DEPARTMENT AND ARE AWAITING
INSTRUCTIONS, U.S. SHIPPING REPS CONCLUDED THAT A FIRM
U.S. POLICY WAS REQUIRED AND AND EXPRESSED APPRECIATION FOR
PAST EMBASSY EFFORTS IN THIS RESPECT, I.E., REGARDING
PD 667 AND PD 806. SEVERAL REPS INDICATED THEIR PERSONAL
PREFERENCE FOR A BILATERAL AGREEMENT ON THE 40/40/20
FORMULA, BUT WE
POINTED OUT THAT USG POLICY CONTINUES
TO BE FREE TRADE, WHICH THEY ACKNOWLEDGED WAS ALSO THEIR
CORPORATE POLICY.
SULLIVAN

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